

The Six-Step ORM Process



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Figure 2. Six-Step Process of Operational Risk Management

Step 1: Identify the Hazard

A hazard is any real or potential condition that can cause mission degradation; injury, illness, or death to personnel; or damage or loss of equipment or property.

Step 2: Assess the Risk

Quantify and qualify the probability and severity of loss from exposure to the hazard.

Step 3: Analyze Risk Control Measures

Investigate a variety of actions which will either reduce or eliminate the risk.

Step 4: Make Control Decisions

The appropriate decision maker uses cost versus benefit analysis to choose the best control(s).

Step 5: Implement Risk Controls

Plan for implementation of control(s) and the commitment of resources to do it.

Step 6: Supervise and Review

Proactive and personal follow-up on effectiveness of control(s).

Back

Proceed